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THE PROBLEM OF EQUILIBRIUM IN INTERNATIONAL ECONOMY

BY PROFESSOR GUSTAV CASSEL

In the preceding number of this quarterly I discussed the problem of economic equilibrium in a self-contained national economy. This limitation indeed reduces the problem of equilibrium to extreme simplicity, but was a necessary stage in its discussion. It now remains to indicate in broad outline the conditions on which international economic equilibrium must be based.

The simplest case, of course, is one in which only two countries are supposed to be carrying on commercial relations with one another. Those who have studied this relatively simple problem have come to the conclusion — quite useful, as far as it goes —, that the one country must sell as much to the other as it buys from it. In earlier stages of the development of international trade endeavours were often made to establish such an equilibrium in relation to each individual country with which trade was carried on. In the present disturbed times this somewhat primitive view has been revived, and efforts have been made to effectuate some kind of "clearing", which would ensure a complete equalization of the balance of trade between one's own country and a particular foreign country. The establishment of equilibrium on such a basis, however, involves needless limitation. A number of different countries may trade with one another in such a way that a country's balances of payments with other countries show both surpluses and deficits, but that each individual country ultimately finds itself with an equalized balance of "international" payments. If we content ourselves with such a qualified equilibrium, the possibilities for international commerce will be immensely extended. Any efforts towards the restoration of a peaceable world economy should aim from the outset at providing such scope for the international trade.

It is not essential, however, that a country should have an equalized balance of trade, even if we include in this term all payments passing between that country and other lands. Such a balance of current payments may show a deficit from year to year, provided that it is covered by borrowing abroad. This continuous import of capital may be quite a sound proceeding if the country possesses rich natural resources and a body of skilled workers, but insufficient domestic capital growth for the effective exploitation of such assets. On the other hand, there are countries possessing such an abundance of capital that they can well afford to export it, thus helping to promote the more rapid development of other countries. Such an increase in the productive capacity of the capital-importing countries will facilitate the supply of a greater diversity and a greater abundance of products to the capital-exporting countries and indeed to the world at large. The development of the colonial world and the resulting immense improvement in the standard of life of the older countries is the most striking example. Sweden had long imported capital and thus strengthened her economy, so that she could afterwards resort to a regular export of capital. This was in fact necessary in order to provide adequate scope for her export of goods and her foreign shipping. Should we try to hinder a permanent investment of capital abroad when there are facilities for such investment, the result will be simply an abnormal increase in the country's reserves of gold and foreign exchange, with risks which we now have particular reason to keep in mind.

Freedom in the international movements of capital is thus a fundamental basis for general economic progress. In many cases, however, this basis has been destroyed, and it will certainly entail great difficulties to revive even such international movements of capital as are particularly important for the restoration of the world economy. On both sides much has been done to lessen the possibilities for an international equalisation of the supply of capital. Many debtor countries have shown far too little respect for their obligations. They have thus not only spoilt their prospects of obtaining new loans, but have also tended in general to weaken confidence in foreign investments of capital, thereby making it more difficult also for other countries to borrow abroad. The capital-exporting countries have conduced to aggravate the situation by treating the export of capital as an undesirable or scarcely lawful proceeding and by affording a lower degree of legal security for foreign than for domestic investments. But legal security is a delicate matter. It is easier to ruin it than to destroy material assets. And it is more difficult to restore it than to rebuild bombarded towns.

The theory of international trade must naturally set out from the question as to how a level balance of trade can be maintained between two countries. The chief reason why we must speak, in this connection, of two different countries is that each country has its independently regulated currency. Thus a new unknown is introduced into the price problem, namely the rate of exchange between the two currencies. But we also add a new condition for equilibrium, namely that a level balance of payments must be attained. This condition is sufficient to enable the problem of equilibrium to be solved and the rate of exchange determined.

The conditions for equilibrium in trade between two countries differ from those applicable to a self-contained economy also in the fact that we must reckon with supply and demand from both countries. Equilibrium will therefore be established at quite different prices than those which are current in a self-contained economy. The advantage of international commerce consists precisely in the fact that neither a shortage nor a superfluity of particular goods or services will make itself felt as severe as in the case of national isolation. The world will need again to give thorough consideration to this truth, if fruitful reconstruction after the war is to be rendered possible. A real extension of the *Lebensraum* for all countries can be obtained only by giving international commerce the freedom required in order to facilitate an international distribution of work wich will powerfully conduce to promote production.

If two countries have well-developed trade relations with one another, and if their monetary policy is so regulated that their currencies are maintained at a fixed internal purchasing power, the rate of exchange between those countries will have considerable stability. Any little change in the rate of exchange will in fact affect the bases for importation and exportation so considerably that the equilibrium in the balance of trade is upset, so that forces are set in motion for the restoration of the rate of exchange to the state of equilibrium. Naturally, however, the rate of exchange may be considerably affected by marked changes in the conditions of international commerce, for example, if a country passes from free trade to protectionism.

If, however, no serious disturbances of this nature supervene, the stability of the rate of exchange will depend essentially on the internal stability of the currencies themselves. An inflation in the one country which reduces the purchasing power of its currency to half must be expected to involve a corresponding reduction also in the international valuation of that currency. In view of the inordinate changes which the purchasing power of money has undergone in various countries in the course of the last decades, dislocations of this nature in the rates of exchange have been thrust into the foreground as being by far the most important. It has been possible to calculate the new state of equilibrium for a rate of exchange simply by multiplying it by the ratio between the degree of inflation of the two currencies. This in fact is the real significance of *the theory of purchasing-power parity*. This theory endeavours to determine the essential factors governing such changes in the rates of exchange as have actually occurred, and it maintains that those factors are of a monetary nature, that is to say, consist of changes in the internal value of the currency. It has shown from the outset that a rate of exchange may deviate from its purchasing-power parity, and that an *over-* or *under-valuation* of a currency is thus possible. But the theory of the purchasing-power parity is a necessary postulate if one is to speak at all of such over- or under-valuation, and it is the theory of purchasing-power parity that has first given those terms a definite significance. Theorists who have devoted more attention to details than to the broad general trend have disputed the value of this theory. But in practice the authorities have always been forced back to the necessity of maintaining rates of exchange in conformity with the purchasing-power parities of the currencies. The much-discussed Tripartite Agreement, concluded between France, England and the United States in September 1936, in fact ultimately aimed at avoiding the over- or undervalution of the currencies involved, and thus at maintaining rates of exchange in correspondence with the purchasing-power parities. When France even after the conclusion of the agreement continued to depreciate the internal value of the franc, a reduction in the rate of exchange for the franc was considerad warranted and was in fact adopted, without the Tripartite Agreement being therefore regarded as annulled.

This should serve as a guiding example of what must be done if and when a time of reconstruction arrives. Attempts at a valuation of the currencies which deviates from the purchasing-power parity must be suppressed as disturbances of the first magnitude in the equilibrium of international commerce. Strangely enough, attempts both at an under-valutation and at an over-valuation of the own currency have actually occurred. Countries which have fallen into an internal process of inflation have resisted to the very last to allow the depreciation of their currency to be reflected in a reduced international valuation. They have indeed managed, though, of course, at considerable sacrifices, to keep their currencies over-valued for a considerable length of time. On the other hand, certain countries have actually desired a low valuation of their currencies in order to stimulate their exports and put a check on importation. The Tripartite Agreement signified the disapproval in principle of all such endeavours.

So long as an international gold standard existed, each country regarded it as a matter of honour to maintain the gold parity of its currency. This involved a monetary policy which tended to maintain the internal purchasing power of their currencies in correspondence with their gold rates, thus preventing any appreciable over- or- under-valuation of the currencies. As regards the future the essential thing is to maintain the greatest possible stability in the internal purchasing power of the currencies and to let the rates of exchange adjust themselves to that purchasing power, which, however, does not exclude a general desire that rates of exchange should be kept as stable as possible. The whole world therefore will have a common interest in the maintenance of stability in the internal purchasing power of the various currencies, that is, in avoiding any process of inflation or deflation.

After the abandonment of the gold standard, immense State equalization funds have been created for the stabilization of the rates of exchange. It was supposed that the State, with the aid of those funds, would be able to keep the exchange rate for the country's own currency more stable than it would have been if the market situation had been the determining factor. Such an authoritative stabilization, however, is liable to lead to the exchange rate being kept pegged at its given level, even when changes in the substantial grounds on which the rate was based — particularly changes in the purchasing power of the currency — would have warranted a modification. Sooner or later, however, it will in such cases be found necessary to decide upon a new rate of exchange, and the subsequent trend will then show greater discontinuity than need have occurred if the market had been free.

Also in the future, State regulation of the rates of exchange is likely to be marred by this defect, especially as the adoption of proper rates of exchange immediately after the end of the war will present immense difficulties.

It seems unavoidable that the conclusion of peace will expose the entire world economy to a violent disturbance of equilibrium. The adjustment to the new conditions will be difficult and will take much time. It is therefore all the more important that the fundamental conditions for economic equilibrium should be respected, and that the authorities should refrain from resorting to palliatives which would directly tend to hinder economic equilibrium and carry us away from the road leading the progress of the world economy towards the highest efficiency.

THE IMPORTANCE OF FISHERIES-INVESTIGATIONS AND PISCICULTURE FOR SWEDEN'S FRESH-WATER FISHERIES

BY GUNNAR ALM, PH. D., DIRECTOR OF FISHERIES

According to earlier statistics and subsequent estimates, the annual yield of Sweden's fresh-water fisheries totals from 12 to 14 million kg, with a value of the corresponding amount in kronor. The worth of this country's salt-water fisheries amounts to about double that sum. Among the fish which chiefly contribute to the yield of fresh-water fisheries the pike comes first with about 2.5 million kg, then the perch with about 1.5 million kg and the gwyniad with about 1 million kg. This applies also to the value. Afterwards the order differs according as the quantity of fish landed or the value is taken as a basis of classification. In view of the possibilities which exist for direct measures for the improvement of fresh-water fisheries, there are good prospects for an increase of the yield. This may be effected firstly by increasing the stock of commercially valuable fish, and secondly by the manner in which the fishing itself is carried on. In the following I shall confine myself mainly to the first-mentioned question.

The rational utilization for fishing purposes of a particular lake or watercourse necessitates firstly a thorough knowledge of the hydrographic and biological conditions in different waters as well as of the biology of the various fishes, and secondly the adoption of direct measures of pisciculture. Thus fishing, like other industries, requires the support of scientific investigation and experimentation on practical lines. It was not till 1932 that State measures of this nature were taken in Sweden. A special institute for that purpose, directly subordinate to the fisheries department of the Royal Board of Agriculture, was then established. This institution, commonly called "the Fisheries Investigation Institute", is situated on the island of Lovön, near Drottningholm, and its erection has been defrayed by a donation of 300,000 kronor from the Knut and Alice Wallenberg foundation. As an annex to this institute, mention should be made of the fisheries experimenting station at Kälarne in Jämtland: it was completely organized in the course of the years 1931—1933, and is mainly engaged in conducting experiments in ponds and adjacent lakes. Close cooperation is also maintained with university institutions and other authorities engaged in limnology (the scientific study of fresh waters) or associated studies.

The operations of the Fisheries Investigation Institute and of the experimenting station at Kälarne aim at investigating the lines on which we should proceed in order to secure a satisfactory and continuous yield of fish in our fresh waters as well as in the Archipelago off the east coast, which is populated with fresh-water fish. New methods are tested, suggestions put forward are examined, and the results obtained are communicated to the fishers to be turned to practical use. The aims are to increase, as far as possible, the yield of fisheries, to prevent a menacing decline, as well as to facilitate rational fishing and a rational sale of the fish. Hence the principal fields within which the Institute carries on its researches are (1) the general nature of the waters, and (2) the biology of the fish. A third important line of research consists of the studies connected with fish-rearing and other measures of pisciculture; these studies are also delegated to the fish-rearing establishments administered by the State authorities or the provincial agricultural societies.

Obviously, a thorough knowledge of the environment in which the fish live is of fundamental importance for all work in this field. Though studies of this nature are carried on chiefly at purely scientific institutions, it is nevertheless necessary that corresponding researches should be conducted also at the Fisheries Investigation Institute. Thus, in order to throw light on certain factors which affect the supply of fish (fluctuations in yield, varying abundance in different year-groups, the occurence of fish in different places in different years and the variations in this phenomenon, etc.), the Institute, since its establishment, has carried on hydrographic and biological researches in various lakes. In these researches, which relate to the temperature of the water, its content of oxygen, alkalinity, pH value (degree of acidity) etc., as well as the occurrence of plankton, shore and bottom fauna, etc., various interesting results have been obtained. Some of them will be reported here.

At an earlier stage investigations had showed the occurence of two different main types of lake, the eutrophic lake of the flat country, rich in nutriment, and the oligotrophic lake of the moraine ground, poor in nutriment. These two types show quite different oxygen contents and temperature conditions. Previously, however, we possessed but a limited knowledge of the conditions in this respect in the small forest lakes, called tarns, so common in this country. More recent investigations have now revealed that the oxygen content and temperature conditions vary greatly in these lakes also. In many lakes the conditions are favourable in these respects, that is, they show a relatively high temperature and a satisfactory percentage of oxygen through all layers of water. In other lakes, on the other hand, the conditions are quite different. In the upper layers of water the temperature and the oxygen content are high. At a certain depth, however, often merely 2 to 3 metres below the surface, the temperature falls very rapidly, but afterwards keeps more uniform down to the bottom, a distribution of temperature resembling that of most large lakes. We thus get a warmer, upper layer of water and a colder, lower layer, the former being in most cases considerably thinner than the latter. These divergences between different lakes are chiefly due to the their situation and depth, owing to which factors their exposure to winds and the circulation of the water show considerable variations. A sheltered situation tends to render the water more stagnant and entails the peculiar distribution of temperature just mentioned.

In the colder, lower layers of water the percentage of oxygen as a rule is also very low: in many cases the deeper parts are entirely devoid of oxygen, which is likewise largely due to lack of circulation between different layers of water. Here neither the fish themselves nor the small animals on which they feed can subsist. Large parts of these lakes are consequently worthless for purposes of production and afford little prospect for any large yield of fish. Moreover, the water in such lakes often has a yellow or brown tinge, owing to the occurrence of humus material. The water thus gives an acid reaction (the pH value is usually about 6).

One of the principal features in the general programme of biological research is the study of the vegetable and animal world — particularly the latter — in lakes and watercourses. With the aid of special apparatus, comparative quantitative samples are taken from the animal life at the bottom, and also on the shore. By such investigations it has been shown that different kinds of animals are associated with different types of shore and bottom, and that the number of animals varies immensely. Thus in lakes in the flat country the number of gnat-larvae, molluscs, mussels, crustaceans, worms, etc., amounts to several thousand specimens per square meter of bottom area, whereas in lakes in the moraine districts there are often merely some tens of specimens within the same space. The supply of such small animals, which are the principal items of fish food, is often of paramount importance for the production of fish. It should therefore, generally speaking, be larger in flat-country lakes than in moraine lakes, a conclusion which corresponds with the facts. These investigations also enable us to judge, at any rate approximately, whether a lake yields as much fish as it should and, if this is not the case, how this is to be effected; in other words, they show what waters could be further utilized for the production of food-fishes.

In regard to the biology of the various fishes and especially their susceptibility to different temperatures, oxygen content, pH value, food value, etc., investigations in nature as well as tests in ponds and experiments in aquaria have yielded valuable results. A feature of the greatest importance for the yield is, of course, the growth of the fish. It is closely connected with the temperature. Thus many fishes (perch, bream and other fishes of the carp family) grow best at a temperature of over 20° centigrade, whilst others (the salmonids) prefer a temperature of 16—18° and often cease eating if the temperature becomes too high. These are factors of very considerable importance in judging the fitness of different fishes for different lakes. At very low temperatures the growth of all fish practically ceases. This is connected with the general depression of the vital functions and with the loss of appetite, especially in those fishes which thrive only in higher temperatures.

Besides the temperature, the supply of food is naturally a factor of great importance for the growth. If the food is abundant, the fish grows well and attains large size, whilst its growth is stunted if the food is too scanty. In this respect fishes differ from most other animals. The growth of fish is in fact extremely labile. Though every species of fish shows a typical standard of growth, in individuals the growth varies to such extent that among fishes of the same age one may be, say, five to ten times as large, reckoned in weight, as another. The various tests which have been made in recent years in studying the growth of fishes in fact show that, by modifying the external conditions and particularly the supply of food, the growth and consequent size of the fish can be directly affected in a very marked degree. Thus in fishes heredity is of much smaller importance for the growth than in the case of other vertebrates. Research work in this line is carried on firstly in nature, secondly in ponds and aquaria. Some examples of the results attained will be reported here.

In many watercourses there are shoals of trout where the fish never attain any large size. These fishes, which range in length from 15 to 20 centimetres and are generally called river-trout, are common in many small forest brooks; they differ also in other respects from their bigger congeners in the large lakes and on the coasts, the lake trout and seatrout respectively, both in habits and appearance. According to certain investigators, we are concerned here with quite different breeds, distinguished by fixed hereditary characters, whilst according to others they represent merely different forms of local varieties determined by the environment. Thorough researches into this question have been proceeding at Kälarne since 1931. In several series of experiments with the transplantation firstly of trout caught in brooks, secondly of the fry of such fishes, and in some cases also of lake trout, into different kinds of water and under varying external conditions, it has been found possible to produce big, rapidly-growing fish, and this not only in individual specimens, but in whole shoals. It has thus been demonstrated that the growth was mainly due to the environment, such as the supply of food, the volume of water, the temperature, etc. It should, however, be noted that, in spite of feeding under quite similar conditions, certain differences in appearance and in the commencement of sexual maturity have persisted, at any rate in the first generation, which indicates that hereditary factors must also be taken into account. These researches are still proceeding, being followed up by the breeding and study of the second generation as well as by analyses of the number of vertebrae and other characters which have a bearing on the question of breed, considerable importance being attached to the study of chromosomes. As a practical conclusion it may, however, be stated that the above-mentioned trout or their fry are particularly well adapted for transplantation, thus constituting excellent material for pisciculture.

Another example of the possibilities in regard to the modification of the growth is the perch. Small forest lakes often contain shoals of dwarf perches, the so-called darters, which scarcely measure more than 12 to 14 centimetres. These small perch, however, do not represent a special dwarf breed, but are simply examples of the effects of environment. Tests have demonstrated that the fry of these perches under favourable conditions show a growth far outstripping anything we find in lakes containing the larger, rapidly-growing perch, and that dwarf perches transplanted into other waters may exhibit a satisfactory growth in the new environment.

Experimental tests have recently been made in order to investigate the possibilities of increasing the growth of fishes by hormone treatment. The preliminary results are promising, and practical tests on a large scale have now been started. In the case of several fishes, such as the perch and the pike, the females grow more rapidly and become considerably larger than the males. As the females are more valuable than the males also for purposes of propagation, a modification in the proportion between the sexes with a view to increasing the number of females is desirable. The possibility of effecting this by hormone treatment is in fact being investigated.

In their reaction to the oxygen content different fishes show considerable divergence. Those which are most susceptible to a reduction in the content of oxygen are the salmon, the trout and the brook char, next follow the grayling, the perch, the pike, the roach, the tench and the crucian, in the order of enumeration. The salmonids also show the greatest susceptibility to a reduction in the pH value: the trout, for example, does not breed in waters with a pH value below 5.5, whereas the tench, the crucian and the perch are less particularly.

Even if the hydrographic and biological conditions are at present rather unfavourable in many small forest lakes, tests have shown that some of these lakes could be rationally utilized by the introduction even of such exacting fishes as the trout and the gwyniad. This applies especially to lakes devoid of fish, but where there is a reserve of small animals suitable for fish-food. On the other hand, no propagation can be reckoned with in such lakes. But by stocking the lake with fry or large young, yields of some kilogrammes per hectare have been obtained: this corresponds to the medium yield in Swedish lakes.

In order to obtain a survey of the lakes in this country with respect to their general conditions, the fishes which they contain, the amount of the yield, etc., the Board of Agriculture in 1930 instituted a so-called inventory of lakes. It is in the form of a card system. The material is collected by fishery-department officials in the service of the provincial agricultural societies: they enter on special printed forms a large number of particulars regarding the general nature of the lakes, the fishery conditions, etc. These particulars are afterwards copied onto cards, which are kept in the archives, and copies are transmitted to the local fishery authorities. The material is intended to serve as a basis for the rational planning of the local pisciculture as well as for investigations into fishery questions of great general interest. This register of lakes has already proved to be of great utility, and will naturally become still more useful in the future, according as the work proceeds.

Knowledge of the hydrographic and biological conditions in our lakes and af the requirements of fishes in regard to environment is the basis for all pisciculture. Its aims are to increase and improve the stock of fish in the lakes and to endeavour to counteract a decline in the supply, when for one reason or another it is anticipated. The first-mentioned aim is attained by utilizing the natural productive capacity of the lakes, that is, by studying the kinds of fish for which the lake is best adapted. In this respect fish-breeding and the transplantation of fish are methods of first importance. By these methods the stock of certain fishes can be improved, and many waters which had been left practically unutilized may be turned to account by stocking them with new kinds of fish. It will thus be understood that pisciculture nowadays plays a very important part in Sweden, as in many other lands.

Fish-breeding comprises the artificial fertilization of the sexual products, the hatching of the fish-eggs in special apparatus and the rearing of the fry in ponds with a view to obtaining larger young, which on transplantation yield better and more reliable results. The hatching as a rule proceeds in special fish-breeding establishments, of which there are about a hundred in this country. Most of them belong to the provincial agricultural societies, some of them are State institutions, whilst others have been established by piscicultural societies, angling clubs, companies and private persons.

Many of the Swedish fish-breeding establishments are well-equipped and thoroughly up-to-date, and have effected various improvements or simplifications in hatcheries and methods of hatching. Salmon, trout and char are hatched in so-called Californian trays. They consist of an outer box or tray of wood, tin-plate or cement, within which are fitted frames or boxes of wood or tin-plate with wire-gauze netting at the bottom. Upon this netting lie the fish-eggs, which are kept washed by the water flowing in from below. During the hatching the fry are retained in the boxes until the yolk-sac has been absorbed. The fry, which now begin to swim vigorously about, are then transplanted.

For the hatching of gwyniad, white-fish, grayling and pike, glass apparatus is used: the models vary, but all of them resemble a bottle turned upside down, with the bottom removed, the water passing from below through the neck and flowing over its upper edge. The eggs are gently agitated by the water circulating through them, and are thus kept continously washed by fresh water. When hatched, the fry are carried down by the water into special tanks provided with wire-gauze netting, from which they are removed with a net or by tapping, for the purpose of transplantation.

In the case of pike, the fry of which for a week or so adhere to the bottom before they begin to swim about and can be transplanted, the space required by the fry must be increased by fitting-in special cloth frames or in some other way. The eggs are then usually transferred to this special apparatus just before hatching. Several establishments have now resorted to the use of warm water, which accelerates the hatching and yields rapider and more equable results.

The effects of various factors on the actual fecundation are now being specially studied. It has in fact been found, particularly in the rearing of pike, that the results vary greatly on different occasions and in different localities. This may be due to the general condition of the breeding-stock, but in many cases, apparently, has some connection with external conditions, primarily the temperature. A low temperature, and especially a sudden marked fall of an otherwise high temperature, evidently entails disturbances in the development of the embryo and consequent mortality. Experiments are also being made with selection among the breedingstock with a view to obtaining better material from the viewpoint of heredity. In several cases it has thus been found possible to obtain young which, in regard to certain characters, such as growth and resistance to diseases, are superior to offspring from stocks where no such selection has been made. Other tests, on the other hand, have not entailed tangible results in these respects.

From the Swedish fish-breeding establishments, which, as above indicated, number about a hundred, considerably more than 250 million fish fry have been transplanted in the course of the present year. In this respect the gwyniad comes first, with over 100 million fry, next the pike with nearly 100 million. The pike-perch, the salmon, the char, etc., have also been transplanted on a large scale. The development of this fish-breeding has proceeded rather rapidly, as is shown by the following approximate figures for transplantation: in 1915 about 5 million, in 1925 about 22 million, in 1935 about 54 million, and in 1941, as mentioned, over 250 million fry. This extensive fish-breeding obviously entails considerable expenditure. Several hundreds of thousands of kronor are invested in the existing fish-breeding establishments, and their annual costs amount to a sum ranging between 50,000 and 75,000 kronor. In addition to direct State grants for these purposes, contributions are received from various kinds of fishery due. In accordance with the regulations of the water law, these dues are levied in compensation for the damage to the fish caused by various encroachments on and impurifications in lakes and watercourses on the part of industries, communities, timber-floating, etc.

Can it then be stated that the money spent on fish-breeding is well used? Yes, without a doubt. By the measures which this expenditure has defrayed, the yield from numerous lakes has been considerably increased or a menacing decrease thereof prevented, new kinds of fishes have been introduced, and facilities have been afforded for a larger numbers of fishers to make good hauls. In regard to lakes where the breeding has been confined to previously occurring fishes, it is obviously difficult to show the actual results in figures. Various data are, however, available in respect of lakes where new kinds of fish have been introduced. A few examples may now be given. In lake Ymsen in Västergötland a transplantation of pike-perch has given rise to fisheries with a yield of about 5,000 kg per annum; in lake Skedviken in Uppland, where pike-perch had previously been transplanted, about 2,000 kg of that fish are now being caught annually; and in lake Börringe in Skåne an annual catch of about 1,000 kg of pike-perch is obtained as the result of transplantations. In a number of lakes transplantations of gwyniad have produced permanent stocks which annually give yields amounting to several kg and kronor per hectare, which is quite a good haul for Swedish lakes. The same remark applies to transplantations of tench, trout, etc.

The results of transplantations of fish organized by the provincial agricultural societies are indicated by statistical returns for different periods. Thus in the course of the years 1895 to 1916 1,401 transplantations were organized in this country, during the years 1917—1935 no less than 4,113, in 821 and 2,834 different waters, respectively. Of these transplantations 12.5 and 17.5 per cent., respectively, have given rise to new stocks of fish, which have been propagated in the new waters. It should be observed, however, that a large number of transplantations may be stated to have yielded good results, even if such a permanent stock has not been produced. This applies to waters where the fry or young transplanted have thrived and have yielded good catches for several years, but where they have not been propagated. In many such waters permanent fisheries can be maintained by renewing the transplantations, whence they may be well warranted.

In the course of the latest period of transplantation, tench have been transplanted most frequently, namely 312 times, of which 155, or 49.7 per cent., with successful results. Next comes the gwyniad with 191 transplantations, of which 58, or 30.4 per cent., have succeeded, and the pike-perch with 135 transplantations, 43 of which, or 31.9 per cent., have been successful. Good results have also been obtained with transplantations of white-fish, pike, perch and other fishes, where, broadly speaking, more than 50 per cent. of the transplantations have succeeded.

Finally, a survey of the financial results of particularly successful transplantations of various fishes shows that the expenditure on twenty such transplantations had aggregated about 1,800 kronor, whilst the annual average value of the hauls is about 15,000 kronor, or 8.5 times as much. If we consider that this yield relates merely to one year, and that the said hauls in most cases have proceeded for a period ranging between 10 and 15 years, it is evident that this pisciculture is of the greatest utility.

THE PRODUCTION OF SULPHITE SPIRIT IN SWEDEN

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I.

During the present war the shortage of petrol has led to a considerable expansion of the sulphite spirit industry: the actual upgrowth of that industry during the former war was due to the same factor. The production of sulphite spirit had indeed been started as early as 1909 at a mill erected by the Stora Kopparberg Company at Skutskär, and in the course of 1911 two additional mills were brought into operation. But the real advance took place during the great war, when that industry showed a very rapid development: in the course of the years 1916—1919 the production of sulphite spirit was started at thirteen new mills, and in 1920—1921 at six additional mills. Thus at the beginning of the nineteen-twenties Sweden possessed twenty-two sulphite spirit mills; and their total capacity, when in full operation, was estimated at 20 million litres of spirit with an alcoholic strength of 95 per cent.[1]

After the end of the war, however, when the importation of petrol at normal prices could be resumed, the use of sulphite spirit as motor fuel showed a marked set-back. Whereas in 1918 the sale of such motor fuel amounted to 1.6 million litres, it fell in 1919 to 0.5 million litres, and in the course of the next few years the product practically vanished from the market. In 1923 the Riksdag submitted to the Government a request for a speedy investigation into measures for the utilization of sulphite spirit as motor fuel; and in the following year a Government bill proposing certain amendments in the legislation relating to trade in motor spirit, etc., was passed by the Riksdag. These amendments were intended to facilitate the sale of that product on the freest possible lines and provided for the exemption of sulphite spirit, though merely for five years, from the simultaneously introduced duty on petrol. When the technical problems regarding the proportion in which motor spirit could be admixed in petrol had been solved and the exemption from the duty had been prolonged to 1934, the annual sale of sulphite spirit for that purpose rapidly increased, amounting at the beginning of the nineteen-thirties to about 8 million litres. These sales — to which should be added some 6 million litres sold for household and technical use or for liquor purposes — by no means corresponded to the estimated capacity of the mills, namely an output of 20 million litres; still less were they in correspondence with the possibilities for further production at those rather numerous sulphite mills which had not erected any distilleries, but were allowing the sulphite lye to flow out unutilizied. Representatives of the industry therefore clamoured for the withdrawal of "the menacing duty", which was considered to be the chief retarding factor, and for the definitive exemption of sulphite spirit from taxation.

This and other questions connected with the situation on the domestic market for spirit were taken up for thorough investigation by a Government committee, which submitted its report in 1933. It formed the basis for a Government bill which was introduced in the Riksdag in the following year and was passed after some amendment. This measure inaugurated a completely new system, which, in its main lines, is still in force, though as regards sulphite spirit it has been considerably modified in the course of the present war. The effect of the measure is briefly that the potato spirit distilleries have been assured the right to supply AB Vin- & Spritcentralen, the company holding the monopoly of wholesale trade in wine and spirits, with as much "brännvin" (potato spirit) as corresponds to that company's requirements of spirit for purposes of consumption; whilst the sulphite spirit mills (as well as the yeast and molasses distilleries) are entitled to supply the amount required to cover the monopoly company's sales of spirit for technical and household use as well as to supply spirit for motor purposes.

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[1] All corresponding figures in this article are given in litres of the same strength, 95 per cent.

The Government committee whose report formed the basis of the bill — which was introduced by the Minister of Finance — had contemplated a very considerable increase in the production of sulphite spirit for motor purposes, the intention being that the market for it should be supported by regulations making it incumbent on petrol importers to buy motor spirit for admixture in petrol. In view of the marked difference between the price of motor spirit and petrol, the Minister of Finance, however, considered it scarcely warrantable to force upon the public considerably larger quantities of motorspirit than had been consumed in the past. In his bill he accordingly proposed that the sale of the existing output of sulphite spirit, rounded off to the estimated amount of 20 million litres, should be guaranted by making it obligatory for the monopoly company annually to purchase that amount, and for the petrol importers to take over from the company — in such a ratio to the quantity of petrol imported as the Government might determine — that part of the output which consisted of motor spirit. Licenses for the erection of new sulphite spirit mills were for the time being to be granted only in exceptional cases.

The Riksdag, however, declined to limit the sale of sulphite spirit to the proposed maximum; it accordingly passed an amendment to the effect that, in case the consumption increased, the Government should authorize the sale of more than 20 million litres, and should "take under consideration whether licenses for the erection of new sulphite spirit mills should be granted". Furthermore, in accordance with a proposal in the Government bill, the regulations deferring the coming into force of the duty on motor spirit were prolonged.

2.

The trend of the market since 1934 has in fact shown a continuous increase in the sales of sulphite spirit. Year by year up to the outbreak of the present war the Government have authorized an increase in the sales approximately up to the amounts demanded by the mills, namely for the year of production 1st October 1935—30th September 1936 to 23.7 million litres, for 1937—1938 to 30.0 million litres, and for the last year of peace 1938—1939 to 32.1 million litres, thus 55 per cent. more than the maximum figure proposed in 1934. Whereas in drawing up the regulations of 1934 it was assumed that the sulphite spirit mills would meet with difficulties in selling their normal output, whence it was restricted as to quantity and provided with guarantees for the sale thereof, the actual result was that the demand greatly increased on that part of the market which still retained its liberty, and in some measure also on that part which was supplied with compulsorily sold spirit. In point of fact the mills were able to sell all the spirit they could produce, and their capacity was at the same time increased by improved technical arrangements. In the autumn of 1939 it was reported to be approximately 35 million litres at the then existing 20 sulphite spirit mills, on the assumption that they were in full operation.

In the situation which supervened in the autumn of 1939, when the prospects for a normal supply of imported motor fuel looked very uncertain, even this very considerable increase in the output of sulphite spirit was regarded as insufficient, especially as it was estimated that only 60 per cent. of the entire production could be used for driving motors. In these circumstances the idea of providing considerable additional supplies of sulphite spirit for motoring purposes emerged into the foreground. In addition to special arrangements in the existing sulphite spirit distilleries and their parent mills, the prospects of a large increase were considered to depend on the possibility of erecting and operating new sulphite spirit mills.

A Government bill on the subject was submitted to the Riksdag at its special session in the autumn of 1939. In regard to the bases of agreements relating to the erection of new spirit distilleries, it involved a departure from the principle hitherto adopted, in accordance with which only the actual costs of production should be covered; instead, the producer, after attaining a certain output, was to receive a profit, progressively increasing according to the additional amount produced. The intention, of course, was to encourage the largest possible production. Prices, in other respects, were to be regulated in such a way that the initial costs could be completely written off in the course of ten years. As a natural consequence of this new departure, it was proposed that the more favourable price system should be extended to the existing mills, in order to encourage them also to increase their production by the enlargement of plants and improvements in operation.

The Riksdag passed the bill, but gave the Government latitude, in concluding agreements with the sulphite mills, to grant more favourable terms in certain respects than those proposed in the bill. Instead of the above-mentioned scheme for the calculation of profit, the Riksdag proposed that the producer should receive his profit in the form of an additional charge over and beyond the actual cost per litre of spirit produced. As regards existing mills the Riksdag considered that the same principles could be applied when agreements with them were concluded for extensions of plants, and that arrangements on similar lines might be made also with other existing mills. The issue of the special rules and regulations which might be found necessary in the course of the negotiations, as well as decisions in regard to draft agreements were to rest with the Government.

When proposals for the main lines of agreements with new and existing sulphite spirit mills had been drawn up by the managing director of the Spritcentralen, with the assistance of three experts nominated by the Minister of Finance, they were sanctioned by the Government as a basis for negotiations. As regards new mills they were to the effect that the price of sulphite spirit should be so fixed that the entire initial capital could be repaid within a period ranging between five and ten years, in addition to cover for costs of operation and interest charges. Furthermore, a profit of 2 öre per litre of spirit produced, with an alcoholic strength corresponding to that of motor spirit, was to be included in the price. In order to encourage rationalization, the additional concession was made that, if the working costs were reduced otherwise than by the extension of the plant, half that reduction should accrue to the companies as profit. The lines of agreements with existing mills were based essentially on the same rules, though the period within which that part of the initial cost which was not considered to have been amortized was to be completely written off was fixed at seven years.

These bases of agreement were sanctioned by the Government about the end of 1939, but at first merely a single agreement regarding the erection of a new sulphite spirit mill (at Domsjö) was concluded. The stoppage of exportation westwards, which soon had the effect of greatly restricting the production of sulphite pulp, and thus also of spirit, doubtless conduced to this hesitation; it seems also to have been largely due to the risks for industrial plants in general, which had been brought into relief by the Russo-Finnish war. Furthermore, the producers apparently desired to await the result of the price negotiations which were being conducted between the Spritcentralen and the existing mills, and which, at their request, were to serve as a basis for an agreement intended to regulate prices for a considerable time ahead. These negotiations resulted in an agreement approved by the Government on the 14th June 1940, the so-called long-term agreement, which is based on the rules for existing mills, with the adoption of a clause providing for the calculation of the price for an annual output determined in advance. The agreement is in force for seven years, namely from the 1st July 1940 to the 1st July 1947, but may be denounced at a year's notice. During the term of agreement certain costs included in the schedule of calculations appended to the agreement may be modified in accordance with actual changes in the level of prices, wages and interest, whereas the items for amortization, etc., are to remain unchanged.

3.

Is was not till the autumn of 1940 that the sulphite pulp producers began to show keener interest in the extension of existing plants and the erection of new mills. Various measures had then been taken to facilitate the continuance of operations at sulphite mills which had closed down or had reduced their output owing to the commercial blockade.

In accordance with an agreement between the Industrial Commission and the Nyhamns AB, experiments were conducted for one month in the summer of 1940 at the company's mill at Nyhamn with a view to ascertaining the maximum amount of spirit that could be obtained by drastic boiling-down of the pulp and thorough utilization of the lye. The result showed a relatively high output of spirit, whilst the pulp was practically unusable for ordinary purposes; it was believed, however, that in the form of cellulose fodder it might serve as a substitute for certain kinds of cattle food. Whilst the experiments at Nyhamn were proceeding, it was found possible, thanks to agreements for the export of pulp to Germany, to resume operations at some of the sulphite mills which had been closed down. About 70 per cent. of the amount of pulp stipulated in the treaty with Germany was made at sulphite mills engaged also in the production of spirit. The Fuel Commission then concluded an agreement with the AB. Svensk Sprit, the object of which was to induce the mills associated with that company to produce the pulp without delay and in such a way that the largest possible amount of spirit could be obtained. The additional costs which were estimated to be thus incurred were to be compensated by a special duty (termed lye duty) of 20 öre per litre of 95 per cent. spirit, subject to the condition that the output of spirit from the date of the agreement (26th July) to the 10th October amounted to at least 4 million litres. The actual result of the agreement was that during the stated period nearly 6 million litres of spirit were produced (at 17 of the 21 existing mills).

In the autumn of 1940 the Fuel Commission concluded an agreement with the Korsnäs Sågverks AB., in accordance with which the company undertook immediately to start the erection of a plant at Karskär for the saccharification of wood. The fermentation of the saccharine solution and the distillation of the spirit were to take place at the company's spirit distillery.

The observations made during the experimental operation at Nyhamn led to measures with the object of bringing about a production of cellulose fodder, which, in view of the great shortage of feeding stuffs, had become very urgent in the autumn. The requirements were estimated by the Food Commission at 50,000 tons, and an agreement for a production on that scale was concluded in September 1940. In accordance with this agreement, the producers of spirit were to receive compensation in the form of a special duty (lye duty) of 80 öre per litre. Before the end of 1940 a new agreement for the production of 50,000 tons of cellulose fodder, as well as of spirit obtained in the course of that production, was concluded substantially on the same lines as the first agreement. In the course of the present year two additional agreements of this nature have hitherto been concluded for the production of altogether 55,000 tons of cellulose fodder; under the last of these agreements, which is for 50,000 tons, the special duty has been raised to 90 öre per litre of spirit. In the aggregate these four agreements are estimated to result in a spirit production of somewhat more than 20 million litres.

Most of the mills with which these agreements were concluded had been engaged mainly in the manufacture of strong pulp, the product which has been most affected by the shrinkage of the export market. On the other hand, those mills which produce bleached pulp (silk pulp) have, broadly speaking, been able to maintain their sales without the aid of any special measures, and have thus become important producers of spirit. They will be found among the mills, which have concluded agreements for the extension of their plants.

A survey of these agreements as well as of the agreements concluded with new sulphite spirit mills, with certain data regarding capacity and State subsidies, is subjoined: —

Owners	Spirit distillery at	Capacity mill. litres		Government loan 1 000 kr.
		max.	norm.	
Enlarged mills				
1. Bengtsfors Sulfit AB.	Bengtsfors	2.0	1.1	600
2. Billeruds AB. .	Slottsbron	5.3	4.7	475
3. Svartviks AB. .	Svartvik	8.3	7.3	550
4. Uddeholms AB.	Skoghall	5.3	4.6	—
New mills				
5. Mo & Domsjö AB.	Domsjö	6.5	4.8	1 500
6. »	Hörnefors	3.5	2.7	1 250
7. Skönviks AB. . .	Ortviken	3.0	2.5	1 400
8. AB. Robertsfors .	Robertsfors	2.0	1.5	1 000
9. AB. Mölnbacka-Trysil	Forshaga	3.3	2.5	1 350
10. Billeruds AB. .	Jössefors	2.3	1.6	1 200
11. Forss AB. . . .	Köpmanholmen	1.6	1.1	900
12. Mackmyra AB. .	Mackmyra	1.3	1.0	750
13. Hissmofors AB. .	Hissmofors	1.54	1.12	700
14. AB. Tegefors Verk	Järpen	1.9	1.40	730
15. Munkedals AB. .	Munkedal	1.95	1.2	600

The plants entered under Nos. 1—4 are expected to be completed this year. The increase in their capacity (normal capacity) after the extension is stated to be 5.1 million litres. As regards the new mills, the plant at Domsjö was started at the end of 1940, and the mills numbered 6—10 may be brought into operation during the latter half of 1941. The other mills cannot be expected to be completed before the beginning of 1942.[1] If and when the plans for the erection of the new mills are carried out, the normal capacity of the Swedish sulphite spirit mills would be increased by 21.4 million litres, or, with the addition of the extended plants, by 26.5 million litres per annum. The total capacity of the industry would thus aggregate from 70 to 75 million litres.

How far this capacity can be utilized will, however, depend — as regards both new and existing plants — mainly on the market which can be obtained for the pulp. The whole sulphite spirit problem is in fact dominated by the anomalous situation that the same factor — the stoppage of exportation westwards — which increases our requirements of domestic motor fuel tends to restrict the production of pulp. As already indicated, the producers of silk pulp appear, at any rate for the present, to be best situated in regard to exports. Setting aside the relatively insignificant output of strong pulp which finds a market in Sweden, the production of other mills engaged in this line has hitherto been facilitated by such exportation as is provided for in trade agreements, but chiefly by the cellulose fodder agreements. The prospects of continued production for the makers of strong pulp are presumably still mainly dependent on corresponding conditions.

About half the number of the distillery plants specified in the preceding table appear to be based on the manufacture of silk pulp at the parent mill, and their normal capacity for the production of spirit is estimated at about 27 million litres. To this should be added an output of about 5 million litres from other mills engaged in the same line, besides which it should be noted that one or two sulphite mills engaged in the production of strong pulp apparently intend to take up the manufacture of bleached pulp instead.

For the extension or erection of sulphite spirit mills a sum amounting altogether to 13 million kronor has hitherto been granted in the form of Government loans against the security of mortgages on the sulphite factories. It should further be mentioned that the manufacturer's price for spirit with an alcoholic strength of 95 per cent. (for household and technical purposes), which according to the long-term agreement of the 1st April 1940 was 36.1 öre per litre, has since risen, on the ground of increased costs, to 37.9 öre for the second quarter of 1941. For motor spirit with a strength of 99.6 per cent. the corresponding figures are 41.4 and 43.4 öre per litre, respectively. As regards spirit produced in accordance with the previously mentioned agreements, the prices have been increased by the considerable additional charges authorized thereby (from 20 to 90 öre per litre).

4.

The efforts to maintain the production of sulphite spirit entailed the result that in 1940 the supply of such spirit was practically on the same scale as in the immediately preceding year, which had hitherto marked a record for that production. It amounted to at least 33 million litres, about two-thirds of which consisted of motor spirit, the remainder being sold for household and technical purposes. Available data for the present year warrant the conclusion that, subject to such reservations as must be made for any forecast in these times, the curve of production for 1941 may reach a still higher level.

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[1] At the moment of writing agreements as regards the factories numbered 11—15 have not yet been sanctioned by the Government. The Riksdag has, however, made a grant for loans from the State.

It should be observed, however, that these figures are of relatively small magnitude when compared with the expectations which had been raised in some quarters by the measures for increasing the production of sulphite spirit. Though these efforts, as has been shown here, have led to a very considerable increase in the capacity of that industry, it nevertheless represents merely a fraction of what would be required to replace the imported fuel which cannot now reach our ports. The utilization of this capacity is moreover dependent on whether the parent mill can be kept in operation, a condition which can be fulfilled only to a limited extent and at considerable sacrifices. Our requirements of spirit for technical purposes and for household consumption have indeed been satisfactorily covered. On the other hand, the shortage of spirit for driving motors has rendered it necessary to reserve that spirit for certain special purposes, whilst the remaining consumption has to be provided for in other ways, notably by resorting to the use of producer gas.

It is to be hoped that the expansion of the sulphite spirit industry during the present war will be an asset of abiding value for the future. In the present situation it may in any case be stated that it is a measure of precaution of paramount importance for vital national interests.

THE ECONOMIC SITUATION DURING THE SECOND QUARTER OF 1941

The General Situation. The outbreak of the Russo-German war has completed the blockade of Sweden's foreign trade in a westerly and easterly direction, and has caused apprehensions that trade on the Continent may be seriously affected by difficulties of transport. The effects of this are bound to be severely felt in Sweden, seeing that the stocks of raw products for industry and agriculture are being steadily depleted, and that the harvest is expected to be unsatisfactory, with consequent detrimental effects also on the production of animal foodstuffs. The shortage of coal and coke has entailed restrictions on the supply of that fuel to industries and households as well as rationing of the consumption of cement, which in turn may tend to counteract Government measures for the revival of activity in building. The labour market has been affected by the extensive measures of national defence, by the production of armaments, and by the ambitious plan drawn up by the Swedish authorities for the cutting of timber for firewood. At the end of last quarter misgivings were felt regarding the successful execution of this scheme, which requires much labour.

The price advance appears to have been less marked during the spring than previously. Thus the wholesale price index of the Swedish Board of Trade rose in April and May by one unit per month only, as compared with three units per month during the period from June 1940 to March 1941. The Price Control Board has been given wider powers in its campaign against the price advance. According as the shortage of goods becomes more marked, an extension and intensification of the rationing system may be found necessary in order to counteract the price-raising tendency of an increase in purchase power.

Besides the additional purchase power which results from the selling-off of stocks of goods and the slaughter of live stock, we should particularly note the effects in the same direction of the "under-balancing" of the budget. The "current budget" for the financial year 1940—1941 showed a deficit of 1,676 million kronor. This big deficit is, of course, chiefly due to the immense expenditure on national defence. As a very large part of this expenditure has been of a non-recurring character, hopes have at times been entertained that considerable reductions in expenditure might fairly soon be effected. There is, however, reason to presume that these hopes cannot be fulfilled during the financial year 1941—1942, which will therefore probably show quite as large a budgetary deficit. If all the grants voted are fully drawn on, the deficit in the budget regulation fund will swell during this financial year (1st July 1941 to 30th June 1942) from 2.4 to 4 milliard kronor, of which 3.5 milliard kronor represents non-recurring expenditure on defence. These figures mark a new departure in the Swedish budget, namely borrowing for improductive purposes, whereas the interest on the previous national debt is more than covered by the proceeds of the undertakings in which the borrowed monies have been invested. The effect of this new financial policy on the purchasing power of the currency will obviously depend on whether it is found possible to cover the large borrowing solely from new savings and the capital released by the selling-off of stocks, etc.

During the severe winter shipping in the Baltic was impeded, and Sweden's foreign trade was reduced to a minimum. With the advent of spring a change set in for the better. The increase in foreign trade during the second quarter must therefore be regarded mainly as a recovery from the stagnation of the immediately preceding months.

Since April 1940 the blockade has been almost complete in regard to a number of important raw materials, and such importation from overseas countries as has taken place during this period has not been of sufficient magnitude to assume any great importance for industry as a whole. Overseas shipping to Gothenburg and Petsamo has in fact been on a very limited scale and has been found to be very risky. Shipping to Petsamo has now been completely stopped.

	Imports	Exports	Surplus of imports
	Million kronor		
Jan.—May 1935	567	462	105
» » 1936	634	531	103
» » 1937	819	672	147
» » 1938	814	728	86
» » 1939	937	730	207
» » 1940	1,009	608	401
» » 1941	664	464	200

As will be seen from the table, the value figures both for imports and for exports show a very considerable decrease this year as compared with the preceding year. Taking into account the rise in prices, the decrease in quantum is evidently still more marked. From the first quarter of 1940 to the first quarter of 1941 the rise in the value of imported and exported goods, according to statements given by the Economic Trend Institute, can be estimated at 33 and 22 per cent., respectively. The import value is thus on an average 66 per cent., the export value 40 per cent., higher than in the years 1936—1938.

For the first four months of this year the import quantum is estimated at 46 per cent., the export quantum at 45 per cent., of the quantum during the same months in 1936—1938. It should be noted, however, that these low figures are partly due to the severity of the winter with the resulting ice barrier in the Baltic. In April and May both the imports and the exports showed an increase: in April the import quantum figured at 66 and the export quantum at 52 (1936—1938 = 100).

The difficulties which the blockade has entailed for Swedish industries became still more marked during the past quarter, though they have not yet been reflected in the index numbers for industrial production, which for about a year have fluctuated between the narrow limits 107 and 104. The decrease of production in building as well as in certain export industries and some home-market industries based on the elaboration of foreign raw materials has evidently been largely counterbalanced by the manufacture of substitutes and the production of armaments.

Although the cutting of timber for firewood has been carried on at a great pressure, certain industries have found it increasingly difficult to cover their requirements of fuel since the time when the importation of fossil fuels showed a marked decrease. During the first year of fossil fuels showed a marked decrease. During the first year of actual blockade, that is, from May 1940 to April 1941, the importation of coal and coke did not amount to more than 63 per cent. of the quantum in 1939, the corresponding figure for mineral oils and lubricating oils was merely 15 per cent.; and during the present year only 200,000 tons of coal and 100,000 tons of coke have been imported per month, as compared with double that amount on an average during the last six months of 1940. Hence in May the supply of coal to industries had to be limited to 30 per cent. of the average monthly consumption in 1939. This can scarcely have failed to reduce the productive capacity of certain industries, even if firewood has as a rule been available in sufficient quantity to compensate the lack of coal fuel. It should nevertheless be noted that, despite the increasing difficulties in obtaining supplies of fuel and raw materials, the Swedish mining and metal industries, the engineering workshops and the shipyards are for the most part utilizing their capacity to the full, and in many establishments the output is actually larger than ever before. Industrial requirements of certain metals cannot, however, be fully covered. The import quantum for metals and metal products (not including iron and steel) during the first year of blockade amounted to merely 16 per cent. of the figure for 1939. Much inconvenience has been caused in particular by the shortage of copper, seeing that it is now very desirable that the electrification of the country should be intensified, in view of the inadequate supply of fossil fuel. Although the domestic production of copper has been extended, it is still insufficient, and the greatest economy must therefore be observed in its allocation for various purposes. Thus requests for a supply of copper for illuminating purposes cannot as a rule be granted.

In several industries the shortage of raw materials has entailed reductions in output. During the first year of blockade the importation of rubber and manufactures thereof was reduced in quantity to 27 per cent. of the figure for 1939, that of fats, oils and wax to 17 per cent., and that of tobacco to 48 per cent. The importation of cotton and wool has also been reduced to a minimum; but, as reserve stocks have been drawn on, and as cellulose wool has been admixed in increasing proportion in the new yarns, production in the textile industries has been comparatively well maintained, though it has been reduced according as orders for military requirements have been worked off.

So far as can be judged at present, the harvest prospects are unfavourable, owing to the drought in the spring and early summer. At the end of May it was expected that the harvest would be still worse than that of last year, which amounted to 715,000 tons of cereals, as compared with 1,100,000 tons on an average for the years 1930—1939.In June, however, the situation was improved by rainfall. The area sown with autumn wheat has to some extent been ploughed up and resown. The domestic stocks of cereals at the time of this year's harvest are not expected to exceed 125,000 tons. Provided that the present trade relations can be maintained, it is expected that the harvests of coming years will not suffer owing to a shortage of fertilizers. It should in fact be possible to import nitrogenous manures from Norway and potash from Germany. That such importation must have taken place during the past year may be inferred from the fact that the import quantum for fertilizers during the twelve months' period from May 1940 to April 1941 amounted to 62 per cent. of the quantum in 1939, in which year there was some accumulation of stocks. The importation of raw phosphates, however, was probably reduced to a minimum. The domestic supplies of apatite admit of a production of 45,000 tons of phosphate manures, which, however, is a rather small quantity compared with the importation during the years immediately preceding the outbreak of the war: it then exceeded 200,000 tons per annum.

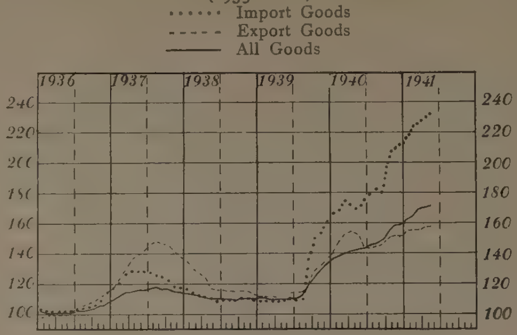
The prospects for the production of animal foodstuffs are considerably worse. Last year's harvest of fodder crops amounted merely to 81 per cent. of the 1939 harvest, reckoned in fodder units, and the diminished supply of concentrated cattle food entailed a reduction of about 23 per cent. in the total amount of feeding stuffs available for the year of production 1940—1941. It was consequently found necessary to resort to the slaughter of cattle on a still larger scale and to restrict the breeding of pigs. This year's hay harvest is expected to be less than that of 1940: on the 31st May the estimated figure for the hay was 2.2, as compared with 2.9 a year before, and the rainfall in June is considered to have come too late to repair the damage done by the drought to the grass lands. Finally, the supply of oilcakes is now so limited that the allocation to agriculture during the next stable feeding-period is expected to fall to 25 per cent. of the amount consumed in 1938; the allocation would thus be reduced to half of that for 1940—1941.

Mainly owing to the extensive slaughter of cattle, the production of milk began to fall in May 1940. The amount of dairy milk produced during the first five months of this year was 844,000 tons, as compared with 972,000 tons for the same period last year, being a reduction of 13.2 per cent. The sale of milk for consumption and of dairy butter has, however, increased: this is due to the stoppage of the exportation of butter and cheese as well as to a prohibition against the making of the fatter kinds of cheese and the sale of thick cream. The sale of margarine, on the other hand, has been considerably below normal; the aggregate consumption of butter and margarine during the first four months of the year was 12 per cent. less than the consumption during the corresponding period in 1940.

The supply of meat has seriously decreased since the reduction of the stock of cattle to a size approximately corresponding to the diminished supply of feeding stuffs; in April the slaughter of cattle was nearly 30 per cent., that of pigs

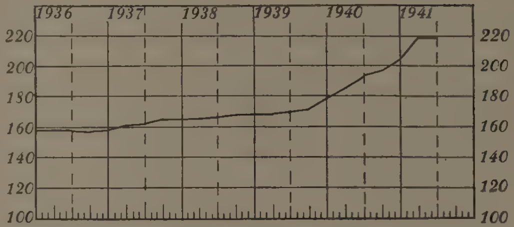
Board of Trade Price Index.

(1935 = 100).

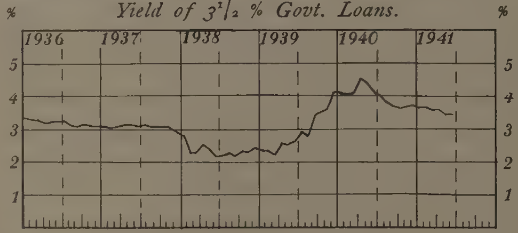


Cost of Living Index.

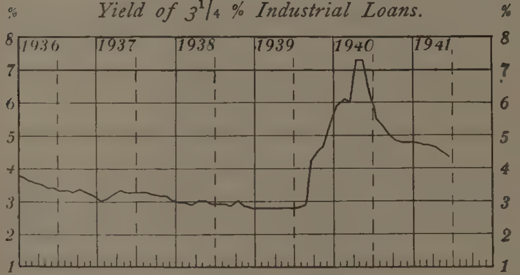
(1914 = 100)



Yield of 3½ % Govt. Loans.

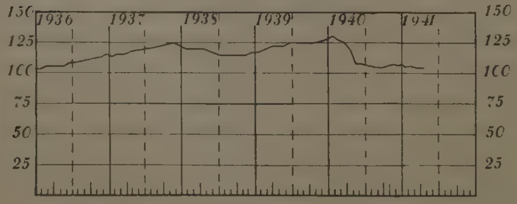


Yield of 3¼ % Industrial Loans.

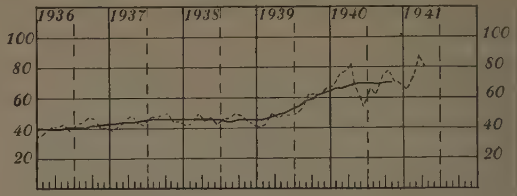


Federation of Industries Production Index.

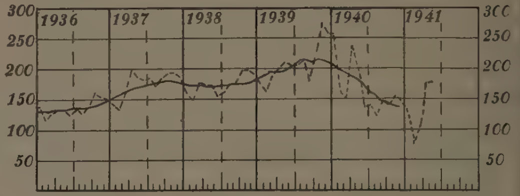
(1935 = 100)



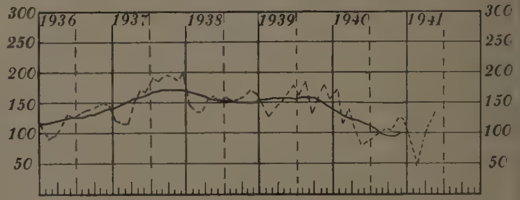
Millions of Axle-Kilometers travelled by Loaded Goods Trucks on the State Railways.



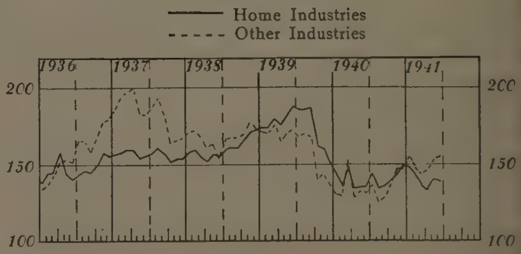
Imports of Sweden in Million Kr.



Exports of Sweden in Million Kr.

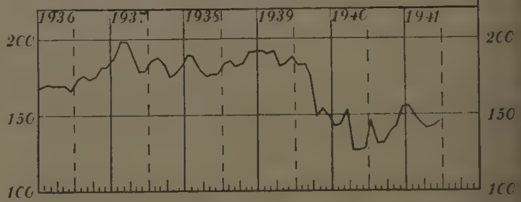


Share Index.



Share Index.

Banks



In the three diagrams in the upper right hand column the dotted line denotes original figures and the whole line current 12-month averages.

Share Index.	1936	1937	1938	1939			1940					1941						
	Jan.	Jan.	Jan.	Jan.	July	Dec.[1]	Jan.	April	July	Oct.	Dec.	Jan.	Feb.	Mar.	April	May	June	30th June
Home industries	138	157	158	175	187	154	145	134	144	139	149	148	143	136	133	140	138	140
Other industries	134	186	172	171	169	137	130	128	137	129	147	155	148	143	146	153	155	154
Of which																		
Grängesberg Company	78	177	219	191	178	145	131	110	134	137	171	155	158	149	157	150	153	160
Exporting engineering industries	167	223	196	195	188	146	133	133	147	139	152	161	152	149	157	166	166	166
Other, including iron and steel ind.	148	196	173	181	182	149	138	130	138	130	154	170	157	158	159	166	165	156
Wood-goods and pulp-ind.	108	146	131	124	127	104	104	104	110	100	110	119	115	108	106	113	117	116
Combined wood and iron ind.	143	186	176	200	209	177	184	196	195	180	202	211	202	194	193	212	216	222
Banks	168	189	191	192	183	149	143	127	147	139	155	156	149	144	141	142	145	146

Note. Where not otherwise stated, the figures are for the middle of the month. [1] For December 1939 the figures refer in part to *minimum prices.* From January 2nd 1940 the minimum prices are no longer in force.

nearly 40 per cent., less than in April 1940. It has been found increasingly difficult to make up for this decrease by a larger supply of fish. The yield of Swedish fisheries last year was considerably less than in 1939 (the sale of fish at the fish harbour of Gothenburg, via which about four-fifths of the total amount landed on the west coast is sold, was 42 per cent. less last year than in 1939), and during the first four months of this year yield was but slightly larger than during the same months in 1940. It has hitherto been found impossible to fill the gap in home supplies by an increased importation of fish. The importation of salt herring was considerably reduced last year, indeed to a greater extent than the exportation of fresh herring.

In connection with a recommendation adopted by the Riksdag in the spring to the effect that the level of interest should be lowered, the discount rate of the Riksbank was reduced at the end of May from $3^{1}/_{2}$ to 3 %. Pending the decision of the savings banks in regard to interest rates, the commercial banks at first merely made a corresponding reduction in the lowest discount rate for bills of exchange. When the Savings Bank's Association on the 11th June recommended the reduction of the savings bank rate for deposits to 3 %, with a corresponding reduction of the interest rates for advances, the commercial banks resolved on a reduction by $^{1}/_{2}$ % as from the 1st July of all interest rates for deposits and advances, except for deposits at call or short notice. In the commercial banks the excess of advances over deposits is comparatively small, but increased during the second quarter to 106 million kronor, as compared with 78 million kronor on an average during the first quarter. At the end of June the gold stock and net foreign holdings of the Riksbank amounted to 1,610 million kronor, as compared with 1,271 million kronor a year before.

The Bond and Stock Markets. The following table gives approximative figures for the yield (in percentage) corresponding to the market rates of representative bond loans during the last few months. The outbreak of the Russo-German war at midsummer caused a transitory fall of bond prices, but at the end of June the level at the middle of that month had been recovered. Thus at the beginning of July the prices corresponded to a yield of about 3.45 % for 3 per cent. Government and mortgage bank loans, 3.8 % for municipal loans and $4^{1}/_{2}$ to $4^{1}/_{3}$ % for industrial loans.

The subscription to the second defence loan was, practically speaking, terminated in April. By that time the bonds of the 4 per cent. series had been sold to the extent of approximately 509 million kronor, and a minor remainder of the 3 per cent. series, amounting to about 100 million kronor, is expected to have been sold by the 15th July. The amount originally offered was al-

Yield of Bonds (in %).

	Number of loans	1940	1941						
Swedish Government.		13/12	14/1	18/2	14/3	15/4	16/5	13/6	1/7
3 % 1934–. Conv. 1944	1	3.69	3.65	3.64	3.60	3.60	3.48	3.44	3.45
3 % 1937–97. Conv. 1947	1	3.64	3.64	3.62	3.59	3.58	3.44	3.40	3.46
Mortgage Banks.									
3 % Conv. 1944—47 . . Repayment 1999–2009, at latest.	4	3.62	3.60	360.	3.56	3.56	3.45	3.39	3.44
Municipalities.									
3, 3¼ and 4 % Conv. 1943—46 . . . . Repayment 1956–1966, at latest.	3	4.06	4.01	3.96	3.96	3.95	3.79	3.71	3.77
Industrial Companies.									
3¼ 1937–57. Conv. 1947	3	4.80	4.75	4.70	4.70	4.66	4.51	4.36	4.36
3½ % 1937–62. » 1947	1	4.59	4.56	4.55	4.55	4.44	4.38	4.32	4.26
4 % 1935–55. » 1945	1	4.64	4.56	4.60	4.64	4.51	4.51	4.19	4.12

together 500 million kronor, and subscriptions were intended to proceed until the end of May, unless the loan had previously been fully subscribed. The subscriptions to the first and second defence loans, taken together, in the course of about nine months have amounted in the aggregate to approximately 1,400 million kronor. Of this sum, subscriptions to the extent of 803 million kronor, or 57 per cent., had been negotiated through the commercial banks.

Among the larger new issues of bonds during the past quarter we note the 4 per cent. loan of 10 million kronor issued by Mo och Domsjö AB. at par in connection with the conversion of previous 4½ and 5 per cent. loans amounting together to 8,375,000 kronor; and the 4 per cent. loan of 1 million kronor issued by AB. Arbrå Kraftverk at par in connection with the redemption of a previous 5 per cent. loan of 800,000 kronor.

Transactions in shares during the first two months of the past quarter were on quite a small scale; in June Stock Exchange business was at times somewhat brisker. On an average, however, dealings in shares during the quarter were only one-third of the dealings during the same quarter in 1939. As is shown by the accompanying tables and diagrams, the trend of share prices has in the main been slightly rising.

Some Statistical Data Concerning Sweden's Economic Position.

Currency Reserve, Stock of Gold, Note Circulation.

	Net Claims of Banks on Foreign Countries million kronor (End of month)									The Riksbank's								
	Riksbank			Commercial banks			Total			Stock of Gold[1] (million kr.)			Stock of Gold and Net Claims on Foreign Countries[1] (million kr.)			Note Circulation (million kr.)		
	1939	1940	1941	1939	1940	1941	1939	1940	1941	1939	1940	1941	1939	1940	1941	1939	1940	1941
Jan.	695	406	769	−15	+ 72	− 87	680	478	682	1363	1084	694	2058	1490	1464	953	1330	1369
Feb.	675	485	747	−19	+ 80	− 75	656	565	672	1364	916	716	2039	1401	1463	943	1298	1362
March	660	505	753	−21	+ 87	− 96	639	592	657	1367	727	724	2027	1232	1477	973	1303	1355
I (Average)	**677**	**465**	**756**	**−18**	**+ 80**	**− 86**	**658**	**545**	**670**	**1365**	**909**	**711**	**2041**	**1374**	**1468**	**956**	**1310**	**1362**
April	618	454	780	−39	+102	−106	579	556	674	1397	752	731	2015	1206	1510	994	1427	1356
May	593	433	818	−50	+ 99	−135	543	532	683	1419	793	755	2012	1225	1573	965	1433	1328
June	583	437	803	−21	+ 94	−191	562	531	612	1425	834	807	2008	1271	1610	997	1431	1375
II (Average)	**598**	**441**	**800**	**−37**	**+ 98**	**−144**	**561**	**539**	**656**	**1414**	**793**	**764**	**2012**	**1234**	**1564**	**985**	**1430**	**1353**
July	563	578		−17	+ 86		546	664		1434	725		1997	1304		987	1394	
Aug.	549	685		−12	+ 71		537	756		1488	644		2037	1329		1017	1399	
Sept.	476	753		−42	+ 48		434	801		1499	638		1974	1391		1189	1411	
III (Average)	**529**	**672**		**−24**	**+ 68**		**506**	**740**		**1474**	**669**		**2003**	**1341**		**1064**	**1401**	
Oct.	421	774		− 3	+ 12		418	786		1396	631		1817	1405		1192	1391	
Nov.	386	801		+11	− 34		397	767		1398	658		1784	1459		1190	1362	
Dec.	301	750		+47	− 64		348	686		1293	672		1594	1422		1356	1428	
IV (Average)	**369**	**775**		**+18**	**− 29**		**387**	**746**		**1362**	**654**		**1712**	**1429**		**1246**	**1394**	
Notes	The figures comprise balances with foreign customers and holdings of foreign bills and foreign bonds less amounts due to foreign customers.									At end of month.						Monthly averages		

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[1] The Riksbank holding of gold is given at its market value, other items at their book values.

Commercial Banks, Stock Exchange.

	Commercial banks									Share Index						Shares sold on the Stockholm Stock Exchange (1000 kr.)		
	Deposits (million kr.)			Advances incl. bills rediscounted (million kr.)			Surplus of Advances (million kr.)			Home Industries			Other Industries					
	1939	1940	1941	1939	1940	1941	1939	1940	1941	1939	1940	1941	1939	1940	1941	1939	1940	1941
Jan.	4145	4334	4294	4223	4831	4337	78	497	43	175	145	148	171	130	155	1034	257	453
Feb.	4169	4231	4247	4265	4897	4369	96	666	122	175	136	143	170	130	148	873	213	293
March	4260	4245	4278	4327	4884	4346	67	639	68	180	149	136	176	153	143	997	684	270
I (Average)	**4191**	**4270**	**4273**	**4272**	**4871**	**4351**	**81**	**601**	**78**	**177**	**143**	**142**	**172**	**138**	**149**	**968**	**385**	**339**
April	4217	4120	4249	4375	4865	4353	158	744	104	177	134	133	165	128	146	814	370	312
May	4190	4007	4211	4414	4798	4362	224	791	151	182	134	140	170	132	153	782	255	260
June	4242	3999	4259	4450	4702	4324	208	703	65	188	135	138	174	131	155	1509	220	397
II (Average)	**4216**	**4042**	**4240**	**4413**	**4788**	**4346**	**197**	**746**	**106**	**182**	**134**	**137**	**170**	**130**	**151**	**1035**	**282**	**323**
July	4367	4132		4437	4612		70	480		187	144		169	137		376	157	
Aug.	4447	4190		4535	4548		88	358		186	134		170	125		732	111	
Sept.	4488	4223		4742	4456		254	233		187	136		167	128		994	166	
III (Average)	**4434**	**4182**		**4571**	**4539**		**137**	**357**		**187**	**138**		**169**	**130**		**701**	**145**	
Oct.	4444	4239		4791	4415		347	176		160	139		140	129		581	243	
Nov.	4296	4092		4850	4406		554	314		160	143		143	147		286	634	
Dec.	4232	4192		4873	4388		641	196		154	149		137	147		76	474	
IV (Average)	**4324**	**4174**		**4838**	**4403**		**514**	**229**		**158**	**144**		**140**	**143**		**314**	**450**	
Notes	Deposits from and loans to the public within the country (at the end of the respective month)									The figures denote mid-monthly average prices.						Averages per Stock Exchange business day		

Rates of Interest and Price Level.

	Yield of Bonds (%)						Wholesale Price Index (Board of Trade) (1935 = 100)									Cost of Living Index (July 1914 = 100)		
	Govt. Loans			Industrial Loans			Import Goods			Export Goods			All Goods					
	1939	1940	1941	1939	1940	1941	1939	1940	1941	1939	1940	1941	1939	1940	1941	1939	1940	1941
Jan.	2.39	4.07	3.65	2.79	5.92	4.75	108	166	218	111	140	155	110	136	162	167	178	204
Feb.	2.34	4.04	3.64	2.78	6.04	4.70	108	168	224	111	147	155	109	138	165	·	·	·
March	2.22	4.10	3.60	2.78	5.98	4.70	108	174	225	112	152	155	109	140	169	·	·	·
I (Average)	**2.32**	**4.07**	**3.63**	**2.78**	**5.98**	**4.72**	**108**	**169**	**222**	**111**	**146**	**155**	**109**	**138**	**165**			
April	2.55	4.53	3.60	2.77	7.27	4.66	108	172	229	111	154	157	109	141	170	168	186	219
May	2.53	4.41	3.48	2.77	7.27	4.51	109	170	232	110	153	157	109	142	171	·	·	·
June	2.57	4.12	3.44	2.77	6.33	4.36	110	175	238	113	144	158	109	143	173	·	·	·
II (Average)	**2.55**	**4.35**	**3.51**	**2.77**	**6.96**	**4.51**	**109**	**172**	**233**	**111**	**150**	**157**	**109**	**142**	**171**			
July	2.92	3.99		2.78	5.53		109	179		114	143		110	146		169	193	219
Aug.	2.76	3.81		2.93	5.31		110	182		114	144		111	146		·	·	
Sept.	3.44	3.69		4.21	5.00		139	179		118	145		118	148		·	·	
III (Average)	**3.04**	**3.83**		**3.31**	**5.28**		**119**	**180**		**115**	**144**		**113**	**147**				
Oct.	3.52	3.63		4.49	4.85		150	199		127	150		124	154		171	197	
Nov.	3.69	3.67		4.72	4.80		153	208		130	151		128	157		·	·	
Dec.	4.10	3.69		5.31	4.80		161	211		135	151		132	159		·	·	
IV (Average)	**3.77**	**3.66**		**4.84**	**4.82**		**155**	**209**		**131**	**151**		**128**	**157**				
Notes	Calculated on market prices at middle of months															Refers to end of quarters		

Trade and Industry.

	Total Imports (million kr.)			Total Exports (million kr.)			Index of Production according to Feder. of Swed. Industries (1935 = 100)			Supply of Industrial Work Index numbers			Waggon-axle Kilometres of loaded Trucks on State Railways			Unemployment in Trade Unions (%)		
	1939	1940	1941	1939	1940	1941	1939	1940	1941	1939	1940	1941	1939	1940	1941	1939	1940	1941
Jan.	174	258	126	149	169	85	118	128	106	·	3.66	3.21	40.1	66.6	65.8	14.7	14.1	17.2
Feb.	163	167	78	125	115	47	120	127	106	·	3.67	3.21	42.1	74.7	73.1	13.0	14.5	16.5
March	191	150	107	139	140	87	122	126	105	·	3.60	3.24	48.9	76.9	86.7	11.6	15.8	15.1
I (Average)	**176**	**192**	**104**	**138**	**141**	**73**	**120**	**127**	**106**	**3.66**	**3.64**	**3.22**	**43.7**	**72.7**	**75.2**	**13.1**	**14.8**	**16.3**
April	201	238	177	152	104	112	123	118	105	·	3.53	3.31	46.1	82.2	79.5	9.0	11.1	12.9
May	208	197	177	166	80	133	123	107	104	·	3.44		47.8	63.0		6.3	9.5	
June	202	136		178	86		125	107		·	3.42		48.5	53.6		5.6	8.7	
II (Average)	**204**	**190**		**165**	**90**		**124**	**111**		**3.92**	**3.46**		**47.5**	**66.3**		**7.0**	**9.8**	
July	204	140		160	92		125	106		·	3.40		49.1	65.8		4.8	9.0	
Aug.	217	123		185	97		126	106		·	3.38		52.6	62.3		4.9	9.1	
Sept.	179	148		131	106		124	105		·	3.36		61.1	74.7		6.3	9.8	
III (Average)	**200**	**137**		**159**	**98**		**125**	**106**		**3.96**	**3.38**		**54.3**	**67.6**		**5.3**	**9.3**	
Oct.	219	139		160	103		126	106		3.78	3.35		62.4	77.6		8.0	11.0	
Nov.	274	155		180	124		127	107		3.78	3.35		61.4	70.8		10.4	12.6	
Dec.	258	149		155	121		128	107		3.77	3.35		66.3	69.1		15.2	16.1	
IV (Average)	**250**	**148**		**165**	**116**		**127**	**107**		**3.78**	**3.35**		**63.4**	**72.5**		**11.2**	**13.2**	
Notes							Seasonal change removed			The figure 3 denotes normal supply of work			Million kilom. per month			% of total members at end of month		

Stockholm 1941. Kungl. Boktr. P. A. Norstedt & Söner 411830

SKANDINAVISKA BANKEN

STOCKHOLM 16.

TELEPHONE: STOCKHOLM 0101
TELEGRAPHIC ADDRESS: SKANDINAVBANK
Member of the Stockholm Stock Exchange

FERNSPRECHER: STOCKHOLM 0101
TELEGRAMMADRESSE: SKANDINAVBANK
Mitglied der Stockholmer Effektenbörse

July 1941
Juli 1941

Quotations of Swedish Shares. — *Kursnotierungen für schwedische Aktien.*

Korsnäs' Sågverks A.-B. (Paper, Pulp and Timber)	21	100	7	7	5	130	—	140	[2]142	145	**Korsnäs' Sågverks A.-B.** (*Papier, Holzmasse u. Holz*)
Linoleum A.-B. Forshaga (Linoleum)[5]	4	50	9.35	6.60		50	50	50	—	—	**Linoleum A.-B. Forshaga** (*Linoleum*)[5]
Mexikanska Telefon A.-B. Ericsson (Telephone Service) Series A[5]	5.4	180	—	—	—	43.50	47	48	[2]42	44	**Mexikanska Telefon A.-B. Ericsson** (*Fernsprecherdienst*) *Ser. A*[5]
» B[5]	16.2	180	—	—	—	47	47	46.50	[2]42	44	» *B*[5]
Mo och Domsjö A.-B. (Pulp and Timber) Series A	32	100	8	8	8	128	[2]—	132	134	138	**Mo och Domsjö A.-B.** (*Holzmasse und Holz*) *Ser. A*
» B[5]		100	8	8	8	130	[2]127	132	134	138	» *B*[5]
Munksjö A.-B. (Paper, Pulp and Timber) Series A	10	100	—	4	—	49	48	47	45	—	**Munksjö A.-B.** (*Papier, Holzmasse und Holz*) *Ser. A*
» B	3.99	100	—	4	—	44	43	43	41	43	» *B*
» B, free[5]	1	100	—	4	—	44	43	43	41	43	» *B, freie*[5]
Oxelösunds Järnverks A.-B.	6.17	100	10	10	10	132	[2]130	131	130	135	**Oxelösunds Järnverks A.-B.**
(Iron, Coke, Window-Glass etc.), free[5]		100	10	10	10	137	[2]130	131	130	140	(*Eisen, Koks, Fensterglas usw.*), *freie*[5]
Sandvikens Jernverks A.-B. (Iron)	25	100	[3]3+5	[3]3+5	[3]3+5	200	[2,4]224	218	170	172	**Sandvikens Jernverks A.-B.** (*Eisen*)
Skånska Cement A.-B. (Cement)	21	1 000	70	70	70	1240	[2]1200	1260	1300	1375	**Skånska Cement A.-B.** (*Zement*)
Stockholms Superfosfat Fabriks A.-B. (Chemical Products)	12	150	12	12	12	[4]238	[2]225	240	253	257	**Stockholms Superfosfats Fabriks A.-B.** (*Chemische Erzeugnisse*)
Stora Kopparbergs Bergslags A.-B. (Paper, Pulp, Timber and Iron)	60	100	10	10	10	254	280	[2]283	290	290	**Stora Kopparbergs Bergslags A.-B** (*Eisen, Papier, Holzmasse und Holz*)

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[1] Refer to dividends paid for the preceding financial year. — *Bezieht sich auf Dividenden, die für das vorgehende Geschäftsjahr bezahlt worden sind.* — [2] Ex dividend. — *Abzügl. Dividende.* — [3] Interim dividend paid in the preceding year. — *Im Vorjahr ausgeschüttete Vorschussdividende.* — [4] Selling price. — *Briefkurs.* — [5] Acquirable by aliens. — *Von Ausländern erwerblich.* — [6] Not acquirable by aliens. — *Nicht von Ausländern erwerblich.* — [7] Not quoted on the Stock Exchange. — *An der Börse nicht eingeführt.*

Quotations of Swedish Bonds (Contd.). —

Kursnotierungen für schwedische Obligationen (Fortsetzung).

In percentage; ex interest. — *In %, exclusive Zinsen.*

Not quoted on the Stock Exchange.	Terms of Redemption *Tilgungsmodalitäten* D = Drawings *Auslosung* P = Purchase *Rückkauf* R = Perpetual Loan *Staatsrente*	Redeemable in Whole *Konvertibel*	Interest Dates *Zins-termine* *	Approximate Prices (bid) *Approx. Notierungen (Geld)* 1940	1941				***An der Börse nicht eingeführt.***
				28/3	29/4	30/5	1/7	15/7	
A. B. BOFORS (War Material) 3 1/4 % 1937	1941—1957 D	15/5 1947	15/5—15/11	89	91	92	93	93	A. B. BOFORS (*Kriegsmaterial*) . . . . 3 1/4 % 1937
REDERI A.-B. SVENSKA LLOYD (Shipping) . . . 6 1/2 % 1920 conv.	1928—1942 D		15/3—15/9	100	100	100	100	100	REDERI A.-B. SVENSKA LLOYD (*Reederei*) . . . 6 1/2 % 1920 *konv.*
TELEFON A.-B. L. M. ERICSSON (Telephones), Registered certificates . . . . . 5 1/2 » 1931	1941—1951 D	1936	15/6—15/12	91 1/2	93 1/2	99 3/4	100	—	TELEFON A.-B. L. M. ERICSSON (*Fernsprecher*), *Schuldverschreibungen* . . . 5 1/2 » 1931
INTERNATIONAL MATCH REALIZATION COMPANY, Voting Trust Certificates				$ 9	$10 1/2	$9	—	—	INTERNATIONAL MATCH REALIZATION COMPANY, *Voting Trust Zertifikate* . . . .
A.-B. KREUGER & TOLL, Bearer Certificates of Deposit 5 » 1929				4 3/4	4 3/4	4 1/2	2[1]	2	A.-B. KREUGER & TOLL, *Inhaber-zertifikate* . . . 5 » 1929

[1] Ex dividend. — *Abzügl. Dividende.*

* **Amortization-dates underlined.** — ***Tilgungstermine unterstrichen.***

Quotations of Foreign Bonds. — *Kursnotierungen für ausländische Obligationen.*

In percentage; ex interest. — *In %, exclusive Zinsen.*

	Terms of Redemption *Tilgungsmodalitäten* D = Drawings *Auslosung* P = Purchase *Rückkauf* R = Perpetual Loan *Staatsrente*	Redeemable in Whole *Konvertibel*	Interest Dates *Zins-termine* *	Prices (bid) *Notierungen (Geld)* 1940	1941				
				28/3	29/4	30/5	30/6	15/7	
Danish Government . . . 4 % 1936[4]	1937—1956 D	15/5 1946	15/5—15/11	52	59	63	—	—	*Dänischer Staat* . . . . . . 4 » 1936
» » . . . 3 1/2 » 1938[4]	1944—1958 D P	1/11 1948	1/5—1/11	52	58	63	65[6]	63[6]	» » . . . . . . 3 1/2 » 1938

SKANDINAVISKA BANKEN

AKTIEBOLAG

Statement of Condition June, 30th, 1941

ASSETS.

Cash in hand			Kr.	214.155.446: 38
Swedish Treasury Bills			»	46.800.000: —
Swedish Bills	Kr.	247.656.077: 73		
Foreign Bills	»	52.845: 88	»	247.708.923: 61
Loans (secured)			»	442.266.859: 93
Current Account (secured)			»	76.621.487: 27
Swedish Banks and Savings Banks			»	25.326.370: 18
Foreign Banks			»	6.241.607: 23
Sundry Accounts			»	20.494.140: 26
Bonds			»	79.111.815: 38
Shares			»	126.554.051: 42
Bank Buildings & Furniture			»	17.224.595: —
			Kr.	1.302.505.296: 66

LIABILITIES.

Bills at sight in circulation (»postremiss» bills)			Kr.	17.181.547: 06
Deposits:				
at sight	Kr.	215.722.354: 40		
at notice	»	773.141.934: 88	»	988.864.289: 28
Swedish Banks			»	33.924.786: 13
Swedish Savings Banks			»	8.580.785: 67
Foreign Banks			»	40.497.751: 24
Sundry Accounts			»	51.456.137: 28
Share Capital	Kr.	87.188.000: —		
Reserve Funds	»	74.812.000: —	»	162.000.000: —
			Kr.	1.302.505.296: 66

SKANDINAVISKA
BANKEN
STOCKHOLM
GÖTEBORG
MALMÖ